



International Accounting Standards Board®

# Press Release

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## **IASB proposes improvements to disclosure requirements for Level 3 fair value measurements**

The International Accounting Standards Board (IASB) today published for public comment further enhancements to a disclosure proposal on Level 3 fair value measurements that formed part of the IASB's exposure draft *Fair Value Measurement* published in May 2009.

In that exposure draft, the IASB proposed a three-level fair value hierarchy that categorises observable and non-observable market data used as inputs for fair value measurements. According to that hierarchy, Level 3 inputs are 'unobservable inputs' used for the fair value measurement of assets or liabilities for which market data are not available.

In response to comments received, the IASB proposes to enhance its original proposal by requiring the measurement uncertainty analysis disclosure to reflect the interdependencies between unobservable inputs used to measure fair value in Level 3. Users of financial statements commented that this information would allow them to assess the effect that the use of different unobservable inputs would have had on the fair value measurement.

The exposure draft *Measurement Uncertainty Analysis Disclosure for Fair Value Measurements* is open for comment until 7 September 2010.

The FASB is publishing the proposals in the exposure draft *Amendments for Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs*. Both boards will consider the comments received on the exposure drafts jointly as they continue their discussions about fair value measurement.

The IASB exposure draft can be accessed on <http://go.iasb.org/open+to+comment> from today.

The FASB exposure draft can be accessed on [www.fasb.org](http://www.fasb.org).

The IASB will publish in due course on its website a comprehensive summary on the progress of its fair value measurement project, of which these proposals form part.

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**Notes for editors*****About the IASB***

The IASB was established in 2001 and is the standard-setting body of the International Accounting Standards Committee (IASC) Foundation, an independent, private sector, not-for-profit organisation. The IASB is committed to developing, in the public interest, a single set of high quality, global accounting standards that provide high quality, transparent and comparable information in general purpose financial statements. In pursuit of this objective the IASB conducts extensive public consultations and seeks the co-operation of international and national bodies around the world. The IASB has 15 full-time members drawn from ten countries and a variety of professional backgrounds. By 2012 the IASB will be expanded to 16 members. Members are appointed by and accountable to the Trustees of the IASC Foundation, who are required to select the best available combination of technical expertise and diversity of international business and market experience. In their work the Trustees are accountable to a Monitoring Board of capital market authorities.